

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GARRARD COUNTY WATER)	
ASSOCIATION OF GARRARD, LINCOLN, AND)	
MADISON COUNTIES, KENTUCKY, FOR A)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND)	95-133
NECESSITY, TO CONSTRUCT AND FINANCE)	
PURSUANT TO THE PROVISIONS OF SECTION)	
278.023 OF THE KENTUCKY REVISED STATUTES)	

O R D E R

On March 27, 1995, Garrard County Water Association ("Garrard Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,397,800 waterworks improvement project, and for approval of its plan of financing for this project. This project will provide service to 279 additional customers. Project funding includes a \$973,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Economic and Community Development ("RECD"), formerly known as Farmers Home Administration, a \$369,000 grant from RECD, and \$55,800 in Garrard Water funds.

Garrard Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on March 27, 1995, KRS 278.023 does not grant the

Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Garrard Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Garrard Water's proposed plan of financing with RECD is accepted.

3. Garrard Water is authorized to issue bonds not to exceed \$973,000 to be held or insured by RECD.

4. Garrard Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

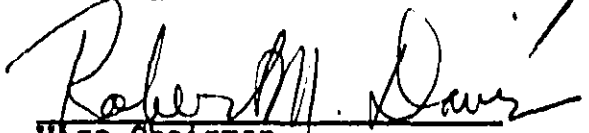
5. Garrard Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Garrard Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 24th day of April, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director